

MICHIGAN ALTERNATIVE FUEL VEHICLE INCENTIVES AND LAWS

Overview

The State of Michigan did not offer incentives for alternative fuel vehicles (AFVs) at the time of publication. However, several legislative bills which propose tax incentives for AFVs and refueling sites are pending.

Several utilities are providing incentives for AFVs, including \$300 and \$500 rebates from Consumers Power Co. for bi-fuel and dedicated AFVs, and a \$500 rebate from Southeastern Michigan Gas Enterprises.

Highlights

- \$ \$500 rebate for a dedicated natural gas vehicle (NGV), and \$300 rebate for a bi-fuel vehicle from Consumers Power Co.
- \$ \$500 rebate for a NGV, and a \$500 rebate for installing a Fuelmaker from Southeastern Michigan Gas Enterprises.

State Incentives

During 1996, a state government inter-departmental task force developed a State Plan for Alternative Fueled Vehicles, in compliance with the Energy Policy Act of 1992. The draft plan and task force recommendations were distributed for public comments. A final plan is expected to be released early in 1997. For more information, contact John Sarver at (517) 334-7234.

Michigan did not have incentives for AFVs at the time of publication. However, several bills proposed to the legislature, would provide incentives for AFVs. Measures under consideration include: a sales tax exemption for the incremental cost of purchasing an AFV, a property tax exemption for AFV refueling stations, an income tax credit up to \$1,500 on the incremental cost of an AFV, and a one-time Single Business Tax Credit on the incremental cost of AFVs. The Energy Resources Division (ERD), Michigan Department of Consumer and Industry Services coordinates Federal AFV project assistance. ERD offered grants to help communities that were interested in joining the Department of Energy's Clean Cities Program. For more information, contact Jan Patrick at the Michigan Public Service Commission, at (517) 334-6262.

A voluntary statewide emission trading program was adopted and took effect on March 19, 1996. Rules allow AFV credits to be traded or retained for future use based on emission reductions, as in the Clean Fuel Fleet Program, but not on a per-vehicle basis. For additional information, contact Robert Rusch (517) 373-7041.

Utility/Private Incentives

- \$ Consumers Power Co. offers incentives of \$300/bi-fuel vehicle and \$500/dedicated NGV vehicle, for a maximum of 10 vehicles per company or individual. For additional information, contact Vance Anderson at (517) 788-2251.
- \$ Southeastern Michigan Gas Enterprises will provide a \$500 rebate for any NGV that will be used in its territory. Also, anyone in its service territory installing a Fuelmaker can receive a \$500 rebate. For more information, contact Paul Maxwell at (810) 987-7900, extension 2073.

Detroit Edison Company has a special rate for electricity used to charge an electric vehicle. For additional information, contact John Olsen at (313) 235-8912.

Michigan Consolidated Gas Co. offers 28 public refueling stations. Contact Rob Bacyinski at (313) 256-5121 for more information.

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Utility/Private Incentives (cont.)

The National Ethanol Vehicle Coalition (NEVC) is an ad hoc group created by the National Corn Growers Association (NCGA) and the Governors' Ethanol Coalition (GEC) to establish a national program to promote the use of 85% ethanol fuel (E85) as an alternative fuel, enhance agricultural profitability, advance environmental stewardship, and further national energy independence. Through a cooperative effort with the NCGA and its state affiliates, the GEC, state energy offices, and the U.S. Department of Energy, NEVC provides forgivable loans for the installation of public E85 fueling facilities. For more information, contact Phil Lampert at (573) 635-8445 or Sandy Hentges at (573) 636-8590.

Laws & Regulations

In 1993, the Michigan Public Service Commission (MPSC) approved a settlement agreement that established an Experimental Transportation Service Natural Gas Vehicle Refueling Rate. An experimental tariff on the transportation of natural gas for fueling vehicles includes a \$950/month discount from the regular tariff. The tariff expires December 31, 1996. In 1994, MPSC approved another experimental tariff rate for utility sales of natural gas to commercial customers for use in refueling natural gas powered vehicles. This experimental sales tariff includes a \$10/month customer charge, plus a 80.1¢/Mcf distribution charge. The tariff expires December 31, 1997.

The Michigan Public Service Commission has ruled that the sale of natural gas as a vehicular fuel does not come under its jurisdiction.

Points of Contact

Future Clean City

Detroit-Toronto Clean Cities Coordinators

Sarah Lile (313) 237-3092
City of Detroit
Jordan Rothwell (519) 576-4270
GFI Control Systems, Inc. (Toronto)

Michigan State Energy Office

Energy Resources Division
Department of Consumer and Industry Services
Jan Patrick (517) 334-6262

Consumers Power Co.

Vance Anderson (517) 788-2251

Corn Marketing Program of Michigan

Keith Muxlow (517) 323-6600

Detroit Edison Company

John Olsen (313) 235-8912

Michigan Consolidated Gas Co.

Rob Bacyinski (313) 256-5121

Michigan Propane Association

Gary Shepherd (517) 835-8613

Michigan Soybean Promotion Committee

Keith Reinholt (517) 652-3294

National Ethanol Vehicle Coalition

Phil Lampert (573) 635-8445
Sandy Hentges (573) 636-8590

Southeastern Michigan Gas Enterprises

Paul Maxwell (810) 987-7900
extension 2073

Metropolitan Planning Organizations

Southeast Michigan Council of Governments

Chuck Hersey (313) 961-4266
extension 107

West Michigan Shoreline Regional Development Commission

Jim Koens (616) 722-7878
extension 107

Grand Valley Metropolitan Council

Abed Itani (616) 776-3876

Michigan State Transportation Contact

Department of Transportation
Lewis Lambert (517) 373-0343

Points of Contact (cont.)

U.S. Department of Energy

Regional Support Office

Chicago Regional Support Office

Melinda Latimer (312) 886-8582

General Services Administration

Regional Fleet Manager

Region 5

Grant Jahr (312) 353-5379

U.S. Department of Transportation Contacts

Federal Highway Administration

Region 5

Sam Herrera-Diaz (708) 283-3536

U.S. Environmental Protection Agency

Regional Pollution Prevention Coordinator

Region 5

Phil Kaplan (312) 353-4669

Federal Transit Administration

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